Building of trust with European Union

1797. DR. KARAN SINGH:
SHRI SANTOSH BAGRODIA:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that recently the European Union has expressed concern over the issue that there is a long process in decision making and execution takes a long time;

(b) if so, in which manner Government intend to build the trust with the European Union countries that there is no cause for concern;

(c) whether the EU has plans to explore and develop newer industries; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY): (a) and (b) No, Sir. However, EU and India are having regular dialogue for addressing different aspects of India-EU economic relations in order to address the concerns of both the sides.

(c) and (d) As part of the India-EU Joint initiative at the industry/ trade level, representatives of EU industry, alongwith their Indian counterparts, have conducted a joint study of four priority sectors *viz.* taxtiles, biotechnology, financial services and power for promotion of bilateral trade and investment between India and EU. The recommendations of the above joint initiative have been adopted by the India-EU Business Summit held in Copenhagen on 8-9 October, 2002.

Indo-US Agriculture Pact

1798. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that U.S.A. has sought India's support on Agriculture Pact;

(b) if so, the details thereof; and

(c) India's response thereto?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY): (a) to (c) In the on-going negotiations under the World Trade Organizations' Agreement on Agriculture various member countries are seeking the support of other member countries on proposals made by them from time to time.

Government's objective in the negotiations is to safeguard the interests of the Indian farmers by, *inter alia*, providing appropriate levels of tariff protection on imports and taking into account our food security and livelihood concerns, and through increased market access for agricultural products of export interests to us. India has been building coalitions with other member countries holding similar interests and concerns.

FDI in restricted areas

1799. SHRI S. AGNIRAJ: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government propose to allow further foreign investment in restricted areas;

(b) whether it is also a fact that the investments are not increasing as per the expectation; and

(c) if so, the steps taken to improve the position?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH): (a) A Group of Ministers periodically reviews the FDI policy, including sectoral restrictions, to consider necessary changes.

(b) and (c) No, Sir. In sharp contrast to the downward trend in the world FDI inflows, India received US $ 4.06 billion (excluding ADRs/GDRs) during 2001-02, as against US$ 2.46 billion received in 2000-01, registering a growth of 66%. The upward trend in FDI inflows has been sustained during the current financial year as well. The first quarter of the financial year 2002-2003 witnessed inflows of US $ 1.35 billion (net of ADRs/GDRs) representing a growth of 106% as compared to the first quarter of the previous year. As per the the recent UNCTAD report, China, Malaysia, India and Philippines have been identified as the four developing countries